



CHESTER J. CULVER
GOVERNOR

OFFICE OF THE GOVERNOR

PATTY JUDGE
LT. GOVERNOR

May 26, 2009

The Honorable Michael Mauro
Secretary of State
State Capitol Building
LOCAL

Dear Mr. Secretary:

I hereby transmit Senate File 478, an Act relating to state and local finances by providing for funding of property tax credits and reimbursements, by making, increasing, and reducing appropriations, providing for salaries and compensation of state employees, providing for matters relating to tax credits, providing for fees and penalties, and providing for properly related matters and including effective date and retroactive and other applicability provisions. Senate File 478 is approved on this date, with the exceptions noted below, which I hereby disapprove.

I am unable to approve Section 21 of Senate File 478 in its entirety because this section requires the Department of Administrative Services to perform a job evaluation study of state employees for the purpose of determining whether the job classifications and pay grade levels are properly determined. The Department is to perform this study by randomly selecting state employees but was given no additional funding for such a study. Currently, the Department has in place a system of review to determine if an employee is properly classified, in which an employee can make a request for such a review. Pay grade reviews are handled through the collective bargaining process and should not be included in a random survey.

I am unable to approve the designated portions of lettered paragraph c and numbered paragraph 3 of Section 27 of Senate File 478 in their entirety. Lettered paragraph c requires notification of the Legislative Council before any reduction is made of supervisory positions. This notification has not been required before and is an imposition upon Executive Branch functions. Numbered paragraph 3 requires the Department of Management to report on out-of-state travel. The Legislative Services Agency has access to all of the accounting data that flows through centralized accounting, Executive Council minutes, along with the power to request additional information from those agencies that do not use centralized accounting and; therefore, should be able to generate the type of reports asked for in this section. Further, while I agree that in difficult economic times special attention should be given to the issue of eliminating unnecessary travel, I am approaching this issue in a matter that differs from the approach taken in this section. Accordingly, I have issued Executive Order Thirteen to require the Department of Administrative Services (DAS) to implement a policy that will require every executive department of the Culver-Judge Administration to institute cost-

effective and transparent practices that will track reimbursements paid to state employees for meals, travel and other work-related costs.

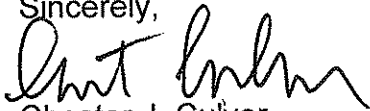
I am unable to approve Section 78 of Senate File 478 in its entirety. This section provides that a person whose license has been revoked for an operating while intoxicated (OWI) test failure after a prior OWI revocation for one year may apply after 45 days for a temporary restricted license to be issued by the Court. It is my understanding that this language was based on earlier information from the Iowa Department of Transportation that it would be in compliance with federal requirements. Further review now shows that this section will threaten the state's compliance with federal requirements for repeat offender laws.

I am unable to approve Section 134 of this bill in its entirety. This language would eliminate the tax credit to employers for purchasing assistive technology that allows them to employ persons with disabilities. This is not the time during this economic downturn to eliminate assistance for helping employers hire persons with disabilities, and I strongly encourage employers to use this tax credit.

I am unable to approve the designated portion of the first sentence of Section 232, numbered paragraph 6, the designated portion of the first sentence of Section 233, numbered paragraph 6 and the designated portion of the first sentence of Section 234, lettered paragraph h of Senate File 478. These sections require the Department of Revenue to issue an annual report naming claimants of the research activities tax credit that receive refunds in amounts that exceed \$500,000. I strongly support transparency in government and understand the worthy intent of this provision, but I am concerned that the requirement that would have applied retroactively to tax returns filed on or after January 1, 2009 might be questionably written, might arguably affect taxpayers' due process rights and might, therefore, have opened the way to a lengthy court challenge. Because this is a retroactive tax reporting change, I cannot let such an alteration in longstanding tax policy affect taxpayers that have already legally filed tax returns. Therefore, I am unable to approve the retroactive language.

For the above reasons, I respectfully disapprove the designated items in accordance with Article III, Section 16 of the Constitution of the State of Iowa. All other items in Senate File 478 are hereby approved this date.

Sincerely,



Chester J. Culver
Governor

cc: Secretary of the Senate
Chief Clerk of the House

CJC:rcs